

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-25817

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|---|--|---|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. SF 078009-C | |
| b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | |
| 2. NAME OF OPERATOR DUGAN PRODUCTION CORP. | | 7. UNIT AGREEMENT NAME | |
| 3. ADDRESS OF OPERATOR P O Box 208, Farmington, NM 87499 | | 8. FARM OR LEASE NAME Rex | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 790' FNL - 1850' FWL At proposed prod. zone | | 9. WELL NO. 3J | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7 miles NNE of Chaco Plant | | 10. FIELD AND POOL, OR WILDCAT WAW Pictured Cliffs | |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 790' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 18, T 27N R13W | |
| 16. NO. OF ACRES IN LEASE 182.96 | | 12. COUNTY OR PARISH San Juan | |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 182.96 | | 13. STATE NM | |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1500' | | 19. PROPOSED DEPTH 1440' | |
| 20. ROTARY OR CABLE TOOLS rotary | | 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6060' GL; GL = RKB | |
| 22. APPROX. DATE WORK WILL START* ASAP | | 23. DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" | |
| 24. PROPOSED CASING AND CEMENTING PROGRAM | | This action is subject to administrative appeal pursuant to 30 CFR 290. | |

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 8-3/4" | 7" | 20# | 100' | 34 cf to surface |
| 5-1/8" | 2-7/8" | 6.5# | 1440' | 250 cf in 1 stage |

Plan to drill a 8-3/4" hole and set 100' of 7" surface pipe; then will drill with mud-water-gel drilling fluid, using slim hole technique to test the Pictured Cliffs formation. Will run I.E.S. log and if deemed productive, will run 2-7/8" as casing, selectively perforating, possibly fracing, then completing well with 1-1/4" tubing.

GAS IS DEDICATED.

RECEIVED
OCT 12 1983
OIL CON. DIV.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Sherman E. Dugan SIGNED Sherman E. Dugan TITLE Geologist DATE 9-17-83
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

NMOCC

OCT 07 1983
M. MILLENBACH
AREA MANAGER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

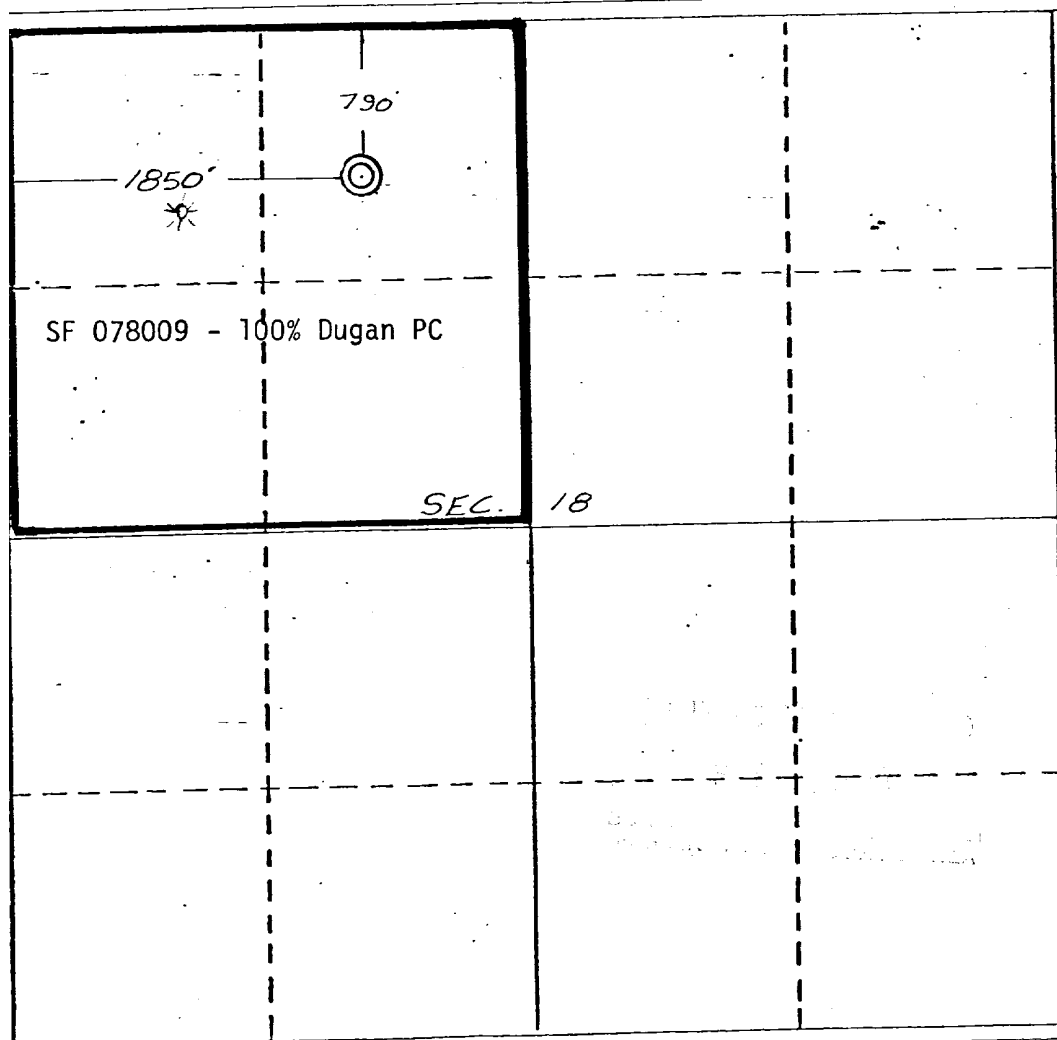
| | | | | |
|---|--|-----------------------------|---------------------------------|--------------------|
| Operator Dugan Production Corporation | | Lease Rex | | Well No. 3J |
| Well Letter C | Section 18 | Township 27 North | Range 13 West | County San Juan |
| Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the West line | | | | |
| Ground Level Elev. 6060' | Producing Formation Pictured Cliffs | Pool WAW Pictured Cliffs | Dedicated Acreage: 160 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as participating interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

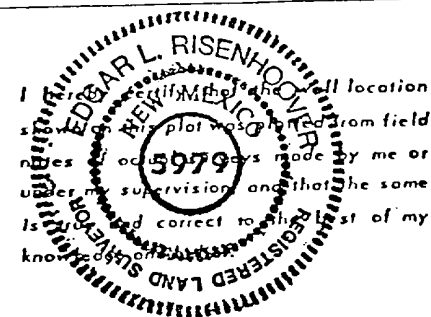
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

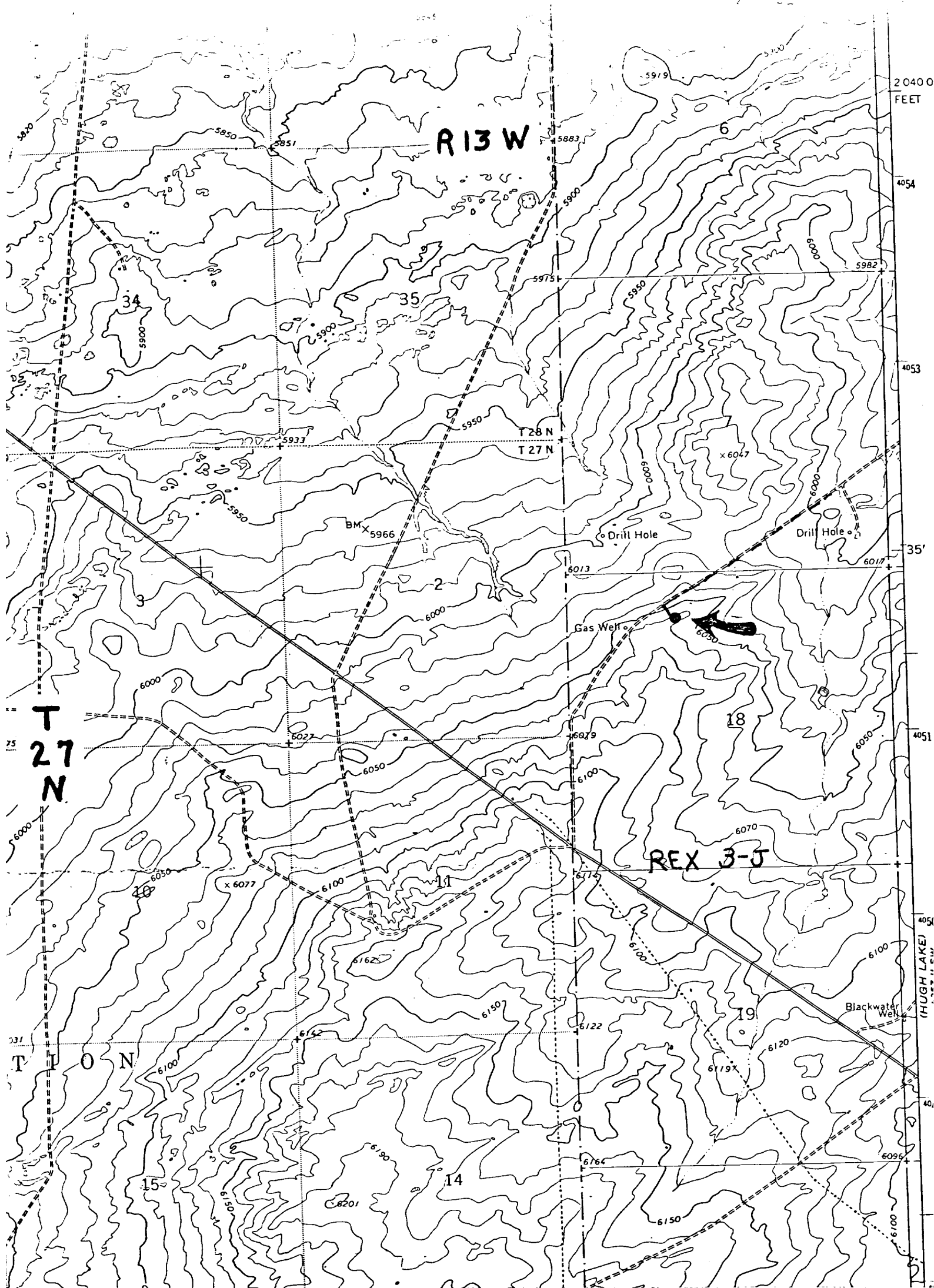
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Sherman E. Dugan*Name
Sherman E. DuganPosition
GeologistCompany
Dugan Production Corp.Date
9-17-83Date Surveyed
September 12, 1983Registered Professional Engineer
and/or Land Surveyor*Edgar L. Risenhoover*
Certificate No. 5979
Edgar L. Risenhoover, I.S.



DUGAN PRODUCTION CORP. - Rex #3J
 Existing Roads - - - - - Exhibit E

Distance from nearest town or reference pt.
 7 miles NNE of Chaco Plant

Type of surface dirt

Conditions good

Other _____

DUGAN PRODUCTION CORP. - Rex #3J
 Planned Access Road(s) ——— Exhibit E

Width 10' Maximum grades 0%

Drainage design needs none

Cuts & Fills none

Surfacing material on site

Turnouts none

Culverts none

Gates none

Cattleguards none